

accordance with the requirements of paragraph (b) of this section.

(b) *Extensions.* In order to receive an extension of the seven-year time period for using an education award, an individual must apply to the Corporation for an extension prior to the end of that time period. The Corporation will grant an application for an extension under the following circumstances:

(1) If the Corporation determines that an individual was performing another term of service in an approved AmeriCorps position during the seven-year period, the Corporation will grant an extension for a time period that is equivalent to the time period during which the individual was performing the other term of service.

(2) If the Corporation determines that an individual was unavoidably prevented from using the education award during the seven-year period, the Corporation will grant an extension for a period of time that the Corporation deems appropriate. An individual who is ineligible to use an education award as a result of the individual's conviction of the possession or sale of a controlled substance under § 2526.40 is not considered to be unavoidably prevented from using the education award for the purposes of this paragraph.

§ 2526.80 How many education or Stafford loan forgiveness awards may an individual receive?

An individual may receive an education or Stafford loan forgiveness award for each of up to two terms of service. For the purposes of this section, full-time, part-time and reduced part-time terms of service described in § 2522.220 of this chapter are each considered terms of service.

§ 2526.90 May an individual receive an education or Stafford loan forgiveness award and loan cancellations for the same service?

No. Although an education award may be used to repay qualified student loans pursuant to § 2528.20 of this chapter, an individual may not receive an education or Stafford loan forgiveness award for a term of service and have that same service credited toward repayment of other student loans.

§ 2526.100 How are education and Stafford loan forgiveness awards treated in determining eligibility for financial assistance under the Higher Education Act of 1965, as amended?

Institutions of higher education shall consider education and Stafford loan forgiveness awards neither as income in calculating expected family contributions nor as estimated financial assistance in packaging assistance under the Higher Education Act of 1965, as amended (20 U.S.C. 1070 et seq.).

PART 2527—AMOUNT OF AMERICORPS EDUCATIONAL BENEFITS

AUTHORITY: 42 U.S.C. 12601–12604.

§ 2527.10 How are the amounts of the education and Stafford loan forgiveness awards determined?

(a) *Education awards for full-time service.* The education award for full-time service is equal to 90 percent of—

(1) One-half of an amount equal to the aggregate basic educational assistance allowance provided in 38 U.S.C. 3015(b)(1) (as in effect on July 28, 1993), for the period referred to in 38 U.S.C. 3013(a)(1) (as in effect on July 28, 1993), for a member of the Armed forces who is entitled to such an allowance under 38 U.S.C. 3011 and whose initial obligated period of active duty is two years; less

(2) One-half of the aggregate basic contribution required to be made by the member in 38 U.S.C. 3011(b) (as in effect on July 28, 1993).

(b) *Stafford loan forgiveness awards for full-time service.* The Stafford loan forgiveness award for a full-time participant in a Stafford Loan Forgiveness program is equal to 15 percent of that greater of—

(1) That participant's current Stafford loan obligations that were incurred during the final two years of that participant's undergraduate education; or

(2) That participant's current Stafford loan obligations that were incurred during the most recent two years of that participant's graduate education in a teaching program.

(c) *Part-time service.* The education and Stafford loan forgiveness awards

for part-time terms of service are equal to one-half of the corresponding full-time education and Stafford loan forgiveness awards described in paragraphs (a) and (b) of this section.

(d) *Incomplete or reduced terms of service.* (1) The education or Stafford loan forgiveness awards for individuals who are released from a term of service for compelling personal circumstances and are eligible for a pro-rated full- or part-time education or Stafford loan forgiveness award in accordance with the requirements in §2526.40 of this chapter, or for VISTA volunteers who are released due to the early of a project, are equal to the product of—

(i) The ratio of the portion of the term of service completed to the required term of service; and

(ii) The amount of the full- or part-time education award available for that term of service as determined pursuant to paragraph (a), (b) or (c) of this section.

(2) The education award for individuals serving in a reduced part-time term of service described in §2522.220 of this chapter is equal to the product of—

(i) The ratio of the number of hours of service required for the reduced part-time term of service to 900; and

(ii) The amount of the part-time education or Stafford loan forgiveness award as determined pursuant to paragraph (c) of this section.

(e) *Authority to aggregate awards.* An individual who serves two terms of service in a Stafford loan forgiveness program(s) may elect (prior to the end of the first such term of service) to aggregate the two Stafford loan forgiveness awards that the individual receives such that the individual receives a single Stafford loan forgiveness award at the end of the second term of service that is equal to the sum of the awards for each of the terms. An individual who wishes to aggregate his or her Stafford loan forgiveness awards must comply with the procedural requirements of §2528.60 of this chapter.

[59 FR 30712, June 15, 1994]

PART 2528—USES OF AND PROCEDURES FOR USING EDUCATIONAL BENEFITS

Sec.

2528.10 For what purposes may education awards be used?

2528.20 What are the procedural requirements for using education awards to repay qualified student loans?

2528.30 What are the procedural requirements for using education awards to pay for all or part of the cost of attendance at an institution of higher education or to pay for expenses incurred in participating in an approved school-to-work program?

2528.40 Is there a limit on the amount of an individual's education award that the Corporation will disburse to an institution of higher education for a given period of enrollment?

2528.50 What happens if an individual withdraws or fails to complete the period of enrollment in an institution of higher education or school-to-work program for which the Corporation has disbursed all or part of that individual's education award?

2528.60 What are the procedural requirements for using a Stafford loan forgiveness award to repay Stafford loans?

AUTHORITY: 42 U.S.C. 12601–12604.

SOURCE: 59 FR 30713, June 15, 1994, unless otherwise noted.

§2528.10 For what purposes may education awards be used?

(a) Education awards may be used—

(1) To repay qualified student loans or portions thereof in accordance with §2528.20:

(2) To pay all or part of the cost of attendance at an institution of higher education in accordance with §§2528.30 through 2528.50; and

(3) To pay expenses incurred in participating in approved school-to-work programs in accordance with §2528.60.

(b) Education awards are divisible and may be applied to any combination of those loans, costs and expenses described in paragraph (a) of this section.